

**COMMITTEE ON GOVERNMENT REFORM**  
**TOM DAVIS, CHAIRMAN**



**NEWS RELEASE**

**For Immediate Release**  
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**Government Reform Committee Approves**  
**GSA Modernization Act**

*Transforms the Way Federal Government Buys Goods, Services*  
*Brings GSA in Line with 21<sup>st</sup> Century Marketplace*

**Washington, D.C.** – The House Government Reform Committee today unanimously approved H.R. 2066, the “General Service Administration (GSA) Modernization Act,” introduced by Committee Chairman Tom Davis (R-VA) and House Armed Services Committee Chairman Duncan Hunter (R-CA), which would continue Davis’ efforts to modernize GSA by bringing it in line with the commercial market it must capture for its federal agency customers. This legislation represents the first significant GSA reform effort in over twenty years.

H.R. 2066 amends the Federal Property and Administrative Services Act to create a new Federal Acquisition Service, which combines the existing Federal Supply Service, that currently purchases goods and services for the federal government, and Federal Technology Service, that currently supplies information technology to federal agencies. The Federal Acquisition Service will be supported by a newly created Acquisition Services Fund consisting of the assets of the old Information Technology and Supply Funds.

“This legislation offers fundamental and organizational change within GSA by removing the old structures that inhibit efficient federal purchases. We can help bring GSA in line with the current commercial market that has evolved from stand-alone hardware or services to solutions that are a mix of products, services and technology,” said Chairman Davis. “While the bifurcated system may have made sense two decades ago when IT investments were a relatively new phenomenon, technologies such as laptop computers, cell phones, and email are now as ubiquitous as desks and phones.”

“Two separate buying organizations operating out of two different funds has become a barrier to coordinated acquisition of management services and the technology needed to support a total solution,” added Davis. “The Federal marketplace should reflect the best of the commercial marketplace: both in the products and services we buy and the way we buy them.”

The legislation would also authorize the GSA Administrator to appoint up to five “Regional Executives” for the Federal Acquisition Service to facilitate closer oversight and more management control over acquisition-related activities. Recently, the existing GSA regions were the subject of Inspector General reports that revealed evidence of acquisition mismanagement.

In addition, the legislation would establish retention bonuses and reemployment relief aimed at maintaining the strength and experience of the federal government’s civilian acquisition workforce. More specifically, the section would provide that an individual receiving a Civil Service Annuity who becomes reemployed in an acquisition-related position would not have his or her annuity discontinued.

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